GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:646
ANSWERED ON:02.03.2007
INVESTORS PROTECTION FUND
Adhalrao Patil Shri Shivaji;Adsul Shri Anandrao Vithoba

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to set up an Investors Protection Fund to safeguard the interests of the investors in stock market; and

(b) the time by when the final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) and (b): It was proposed in the Budget for 2006-07 to set up an Investor Protection Fund (IPF) funded by fines and penalties recovered by SEBI. These amounts are presently credited to the Consolidated Fund of India as required under securities laws. Hence the IPF can be established after the relevant laws are amended permitting credit of these amounts to the IPF. The process to amend the laws has been initiated.